

# **BEHAVIORAL HEALTH REFORM PROJECT**

## **HOUSING TEAM**

### **RECOMMENDATIONS TO THE**

### **NEBRASKA HEALTH AND HUMAN SERVICES SYSTEM**

### **AND THE**

### **NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT**

NOTE: These recommendations are being prepared for use by the following state agencies:

- Nebraska Department of Economic Development (DED)
- Nebraska Health and Human Services System (HHSS)
  - > Nebraska Department of Health and Human Services (HHS)
  - > Nebraska Department of HHS Regulation and Licensure (HHS/R&L)
  - > Nebraska Department of HHS Finance and Support (HHS/F&S)

Approved by the HHSS Policy Cabinet on August 10, 2004.

Send all comments on this document to:

Jim Harvey  
Nebraska Department of Health and Human Services  
Office of Mental Health, Substance Abuse and Addiction Services  
P.O. Box 98925  
Lincoln, NE 68509-8925  
402-479-5125  
e-mail: [jim.harvey@hhss.state.ne.us](mailto:jim.harvey@hhss.state.ne.us)  
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## **OVERVIEW**

The charter for the Behavioral Health Reform Housing Team included the following statements:

### **PURPOSE:**

The Road to Recovery is the Behavioral Health Reform Project that will provide services in the community to persons with Severe Mental Illness who have been or otherwise would be committed to the State for mental health services. The purpose of the Housing Team is to design and implement plans for this essential non-behavioral health component of the Project. The Housing Team will closely collaborate with the Employment Team and Community Support Team.

The purpose of the Housing Team is to develop a set of strategies to successfully implement the housing issues related to the Governor's proposal for the Behavioral Health Reform by July 1, 2004. These strategies need to be implemented by July 1, 2005.

This will involve looking at the various issues involved with housing for consumers with behavioral health problems. The behavioral health programs are designed to work with individuals for a certain length of time. When the consumer is found to be clinically ready for a lower level of care, he/she is ready for discharge from the program. Non-residential Behavioral Health programs are designed with the assumption that the consumer has a suitable place to live. When suitable places to live are not available, discharge from the inpatient and residential levels of care may be delayed.

**GOALS:** The goals of the team are to:

- Make recommendations to HHSS and DED on the best use of the \$3.5 million from the documentary stamp tax revenues currently designated for affordable housing to develop or provide housing specifically for Adults with Serious Mental Illness beginning in FY 05. (NOTE: the goal was amended to \$2 million to reflect Legislative action.)
- Develop recommendations for establishing a "housing first" policy to be used by HHSS for individuals with behavioral health problems prior to discharge from Regional Centers.
  - This needs to include specific affordable housing options that discharge planners may use to identify housing resources.
  - It needs to be sustainable after the Norfolk Regional Center and Hastings Regional Center are closed.
  - All persons are discharged to an appropriate housing option.
  - No person is discharged to a homeless shelter.

### **DELIVERABLES:**

- Strategies to successfully implement the housing issues are developed by July 1, 2004.
- The strategies are implemented by July 1, 2005.

See ATTACHMENT A for the members of the Housing Team

## **GOAL 1: MAKE RECOMMENDATIONS TO HHSS & DED**

GOAL 1: By June 30, 2004, make recommendations to HHSS and DED on the best use of the \$2.0 million from the documentary stamp tax revenues currently designated for affordable housing to develop or provide housing specifically for Adults with Serious Mental Illness beginning in FY 05. NOTE: the goal was amended to \$2 million to reflect Legislative action. [see ATTACHMENT B: Housing in LB1083 (2004)].

### **RECOMMENDATION 1:**

- A. Adopt the supported housing model. This is consistent with the values of individual choice, independence, and community living inherent in the President's New Freedom Initiative. See ATTACHMENT C: Definition Supported Housing and ATTACHMENT D: Housing - President's New Freedom Commission on Mental Health.
- B. Make use of all sources of rental assistance, including the rental assistance authorized by Section 101(12) of LB 1083. (See ATTACHMENT B for LB 1083 amendments to the Affordable Housing Trust Fund and ATTACHMENT E: Sources of Rental Assistance and ATTACHMENT F: HUD Definitions for Rental Assistance).
- C. Use rental assistance to fill the gap between consumer income of persons with serious mental illness and affordable housing rents. (ATTACHMENT E). Rental assistance can provide housing for up to 400 persons (approximately 200 persons per \$1 million).
- D. Use rental assistance from the Affordable Housing Trust Fund as a "bridge" until the eligible individual can qualify for other rental assistance. In those cases where the eligible individual cannot qualify for other rental assistance due to their background of Serious Mental Illness, the program should be prepared to provide continuing assistance.
- E. Make use of all sources of available forms of housing funding, products, and programs including the Department of Economic Development (DED), the Nebraska Investment Finance Authority (NIFA), the US Department of Housing and Urban Development (HUD), the US Department of Agriculture Rural Development Agency (USDA-RD) and Fannie Mae to build additional affordable housing units.

### **RECOMMENDATION 2:**

Priority for state funded rental assistance:

- A. Those being discharged from the hospital. This means both Regional Centers and community hospitals receiving individuals under mental health commitment (such as Richard Young Kearney, Mary Lanning, Regional West, etc.). The theme is the person has been committed to psychiatric inpatient care. Inpatient care is not housing.
- B. Move someone from higher Level of Care to lower Level of Care to make room for someone being discharged from the hospital. For example, the person is ready to move from "Mental Health Residential" Level of Care (such as "Residential Rehabilitation") into "Mental Health Non-Residential" with authorized services (such as Community Support and Medication Management). This move frees up a slot at the higher level of care ("Mental Health Residential") resulting in a place for an eligible individual at the hospital level of care to use.
- C. Prevent a person from moving to a higher level of care.
- D. The eligibility determination will be made by the HHSS Behavioral Health service authorization process and provided to DED.

### **RECOMMENDATION 3:**

Develop a State funded program for "Sponsor-based Rental Assistance" (SRA)

- A. The "sponsor" is the Behavioral Health Provider offering "community support" type services (such as Assertive Community Treatment, Community Support, Care Monitoring).

- B. Any payments of rental assistance do not go to the consumer. This is to prevent such rental assistance as being counted as earned income and limiting or eliminating eligibility for other financial assistance programs.
- C. There is a standardized, statewide approach used. The resources for sponsored based rental assistance are available statewide.
- D. There is a "flex fund" approach to using the resources. The flex fund component is used as part of a consumer's service plan involving transition out of a higher level of care into independent housing to pay for utility deposits for housing, first month rent, and other related costs.
- E. The sponsor (Behavioral Health Provider) locates suitable housing, qualifies the rental unit as meeting standards and requests a voucher from the state funded program.
- F. Where possible, the program is designed to mirror HUD Section 8 requirements. Because Affordable Housing Trust Fund rental assistance will be used, where possible, to "bridge" to Section 8 vouchers, the program needs to be kept as compatible as possible to avoid unnecessary disruptions. However, when a Section 8 system cannot be used due to the needs of the consumer, then the program is prepared to provide continuing assistance.
- G. The consumer must re-qualify annually for the rental assistance received under this program.

**RECOMMENDATION 4:**

The Nebraska Department of Economic Development is responsible to implement the amendments from LB1083 regarding the Nebraska Affordable Housing Trust Fund (LB1083, Section 101). One approach to addressing this work is in ATTACHMENT G: Action Steps to Develop Rental Assistance For Adults with SMI

Under LB1083, up to \$2.0 million was allocated from the documentary stamp tax revenues currently designated under the Nebraska Affordable Housing Trust Fund (NAHTF) to develop or provide housing specifically for Adults with Serious Mental Illness beginning in FY 05. Below represents priorities from the Behavioral Health Reform Housing Team on the use of these funds.

For the "Behavioral Health Housing Program Priorities":

- 1. The focus is on solutions for people who are discharged from Norfolk and Hastings Regional Centers.
- 2. The program may be different in geographic regions based on local housing needs
- 3. The program does provide rental assistance to adults with Serious Mental Illness
- 4. The program replicates existing NAHTF programs.

For NAHTF rental assistance for adults with SMI priority (see LB1083, section 101)

- 1. The program is flexible to allow for local innovation of service provider, housing provider, housing authority, developer, and other interested parties.
- 2. The program includes tenant-based rental assistance (including Sponsor-based) and Project-based rental assistance
- 3. From a statewide point of view, the program is easily replicated and sustainable if more money is available
- 4. For individuals, the program is a sustainable solution (possibly long-term).

For the details, see ATTACHMENT H: Priorities For Nebraska Affordable Housing Trust Fund.

**RECOMMENDATION 5:**

Accommodate feedback received from consumers that suggests most single individuals prefer to live in a single housing unit without being required to accept a roommate. For example, renting a

one-bedroom apartment to one occupant would be preferable to renting them a two-bedroom apartment that requires two occupants.

**RECOMMENDATION 6:**

Use studies prepared by HANNA:KEELAN ASSOCIATES, P.C., for HHSS and DED, as a guideline for determining available housing that can be accessed with rental assistance and the needs for constructing new capacity for the target population. A Summary of Project #1 – Nebraska, Statewide Consumer Housing Need Study/Mental Health Housing Planner Contract (September 2003) is ATTACHMENT I. In addition, specific studies have been completed for the communities of Omaha, Lincoln, Norfolk, Columbus, Wayne, Hastings, Grand Island, Kearney and North Platte.

**GOAL 2: MAKE RECOMMENDATIONS FOR A "HOUSING FIRST" POLICY**

GOAL 2: By June 30, 2004, develop recommendations for establishing a "housing first" policy to be used by HHSS for individuals with behavioral health problems prior to discharge from Regional Centers.

**RECOMMENDATION 1:**

Target Population (Eligible Individuals) for the housing component of the Behavioral Health Reform include:

- The primary target population is the eligible individuals
  - > Who are persons with Serious Mental Illness
  - > Who have been or otherwise would be committed to the State for mental health services (as stated in the BH Reform Housing Team Charter).
  - > Some may be expected to need "Adult Residential Level of Care" before being ready for independent housing.
- The secondary target population involves working with individuals who may be discharged from "Adult Residential Level of Care", moving them into "Adult Non-Residential Level of Care". This will free up space in the "Adult Residential Level of Care" for the first group.
  - > Adults who are Extremely Low Income with Serious Mental Illness (as stated in the Hanna:Keelan Statewide Consumer Housing Need Study).
  - > Individuals who are Extremely Low Income with substance abuse problems who have received primary treatment, are in recovery, and may be discharged from the "Adult Residential Level of Care".

**RECOMMENDATION 2:**

The Nebraska Investment Finance Authority (NIFA) data base of affordable housing units be used throughout Nebraska to find information on housing for these consumers.

- website: [www.nifa.org](http://www.nifa.org). Click on 'renter' under 'customers and partners' and go from there
- Definition of affordability – those projects that received some form of subsidy from NIFA, USDA/Rural, HUD and DED.
- Updated semi-annually

**RECOMMENDATION 3:**

- Workers providing "community support" type services (such as Assertive Community Treatment, Community Support, Care Monitoring) receive additional training and support in arranging for housing for qualified consumers. Community Support is one of the behavioral health support services needed for successful housing.

- Community Support Service interpretive guidelines cover "arrange for housing" to include locating housing, matching consumers to that housing, and completing a minimum housing inspection ... such as confirming the plumbing, electricity, and major appliances work, as well as other basic health/safety issues. The service is available 24 hour, 7-day/week offering active support in time of crisis, direct skill training in the residence, and other key supports needed for successful independent living.

**RECOMMENDATION 4:**

HHSS and DED adopt the following "STATEMENT OF PRINCIPLES". These are Statements of Principles on Supported Housing to be used in the development of a "housing first" policy.

1. Prevention of Crisis Events – Stable housing with proper supports leads to stabilization of the individual's situation. This leads to the prevention of Crisis Events. That prevention of crisis events leads to a reduction in Emergency Protective Custody (EPC) &/or Civil Protective Custody (CPC) events, leading to fewer individuals subject to Mental Health Commitment, reducing the number of individuals under commitment (involuntary status) lowering demand for Regional Center acute inpatient or secure residential services.
2. Regional Center type services (acute inpatient or secure residential) are not housing. When crisis events occur, housing needs to be addressed upon admission to the psychiatric inpatient or crisis center unit:
  - By helping the individual keep her/his current housing or
  - Starting the process to secure housing.
3. Reduce the Stigma of Low Expectations – The providers of the Behavioral Health support services and affordable housing need to maintain an unwavering belief that with proper support most people in the target population can successfully obtain and maintain an independent living situation. Consumers do have the ability and desire to learn the skills necessary to lead self-fulfilling, productive lives.
4. The three keys to Supported Housing Success are Proper Supports, Affordable Housing, Capacity Building (see ATTACHMENT J – Keys to Supported Housing Success and ATTACHMENT K: Analysis Of Consumer Income And Affordable Rents in Nebraska). Success requires an individualized flexible combination of affordable housing and authorized support options:
  - Proper Supports for Eligible Individuals – The purchase of Mental Health and/or Substance Abuse Support Services is the role of the Behavioral Health field, with leadership coming from the HHS Division of Behavioral Health Services per LB 1083 (2004) Section 5.
  - Affordable Housing – The availability of decent, safe, affordable, and integrated housing is the role of the "affordable housing" field, with leadership coming from the Nebraska Department of Economic Development.
5. State of Nebraska embraces the concept of supported housing including emphasis on consumer choice, use of non-institutional housing stock, proper support services which are individualized and flexible, linked to improving residential stability and reducing inappropriate use of homeless shelters, hospitals and jails.
6. Housing helps to support, promote and sustain a consumer's recovery
  - Individuals deserve to live in the least restrictive setting possible based on needs.
  - Stable housing contributes to recovery.
  - Consumers have the opportunity to live in their own homes, will participate in selecting the most appropriate housing option and/or supports needed to promote and sustain their recovery.

**ATTACHMENT A: Members of the Housing Team**

| <b>NAME</b>             | <b>ROLE/REPRESENTING</b>                                      |
|-------------------------|---|
| Dick Nelson             | Leader / HHSS Policy Cabinet                                  |
| Jim Harvey              | Co-Leader / HHS Office of MH, SA & Addiction Services         |
| Betty Medinger          | HHS Comm Service Block Grant, NE Homeless Assistance Program  |
| Cec Brady (or designee) | HHS F&S Medicaid  |
| Bob Bussard             | HHS Recovery Homes for Substance Abusers                      |
| Steve Peregrine         | Fannie Mae  |
| Lara Huskey             | NE Department of Economic Development (DED)                   |
| Pat Compton             | NE Department of Economic Development (DED)                   |
| Stan Quy                | U.S. Department of Housing & Urban Development (HUD)          |
| Julie Hendricks         | U.S. Department of Housing & Urban Development (HUD)          |
| Debra Lingwall          | U.S. Department of Housing & Urban Development (HUD)          |
| Tim Kenny               | NE Investment Finance Authority (NIFA)                        |
| Mike Fallesen           | NE Investment Finance Authority (NIFA)                        |
| Susan Stibal            | NE Investment Finance Authority (NIFA)                        |
| Byron Fischer           | U. S. Department of Agriculture-Rural Development (USDA – RD) |
| Phi Willnerd            | U. S. Department of Agriculture-Rural Development (USDA – RD) |
| Daneille Hill           | NE Housing Developers Association                             |
| Larry Potratz           | Lincoln Housing Authority                                     |
| Rick Kiolbasa           | Chair, NE Commission on Housing and Homelessness (NCHH)       |
| Constance Zimmer        | Consumer-focus, MHPEC Chair                                   |
| Richard Ellis           | Consumer-focus, Chair Real Choices Consumer Task Force        |
| Colleen Wuebben         | Consumer-focus, National Alliance for the Mentally Ill – NE   |
| Carole Boye             | Provider focus, Community Alliance, Omaha                     |
| Patty Skokan            | Provider focus, Liberty Centre Services, Norfolk              |
| Becky Hanna             | Housing consultant  |
| Tim Keelan              | Housing consultant  |
| Sue Adams               | HHS Office of MH, SA & Addiction Services                     |
| Kathi Samuelson         | HHS Office of MH, SA & Addiction Services                     |
| Bob Kubat               | HHS-Services Eastern Service Area                             |
| Willard Bouwens         | HHS F&S Financial Services Administrator                      |
| Mark Schultz            | Dept of Education / Traumatic Brain Injury (TBI)              |
| CJ Johnson              | Region V Systems - Regional Administrator                     |
| Ardi Korver             | Region V Systems  |



**ATTACHMENT B: Housing in LB1083 (2004)**

Sec. 100. Section 58-703, Reissue Revised Statutes of Nebraska, is amended to read:

58-703. **The Affordable Housing Trust Fund** is created. The fund shall receive money pursuant to sections 8-1120 and 76-903 and may include revenue from sources recommended by the housing advisory committee established in section 58-704, appropriations from the Legislature, grants, private contributions, repayment of loans, and all other sources, except that before appropriations from the General Fund may be used as a revenue source for the Affordable Housing Trust Fund or for administrative costs of the Department of Economic Development in administering the fund, such use must be specifically authorized by a separate legislative bill passed in a legislative session subsequent to the Ninety-fourth Legislature, Second Session, 1996. Any initial appropriation from the General Fund which is used as a revenue source for the Affordable Housing Trust Fund or for administrative costs shall be in an appropriations bill which does not contain appropriations for other programs. The department as part of its comprehensive housing affordability strategy shall administer the Affordable Housing Trust Fund. Transfers may be made from the Affordable Housing Trust Fund to the General Fund at the direction of the Legislature. The State Treasurer shall make transfers from the Affordable Housing Trust Fund to the General Fund according to the following schedule: (1) \$1,500,000 on or after July 1, 2004, but no later than July 10, 2004; (2) \$1,500,000 on or after July 1, 2005, but no later than July 10, 2005; and (3) \$1,500,000 on or after July 1, 2006, but no later than July 10, 2006.

Sec. 101. Section 58-706, Reissue Revised Statutes of Nebraska, is amended to read:

58-706. The following activities are eligible for assistance from **the Affordable Housing Trust Fund**:

- (1) New construction, rehabilitation, or acquisition of housing to assist low-income and very low-income families;
- (2) Matching funds for new construction, rehabilitation, or acquisition of housing units to assist low-income and very low-income families;
- (3) Technical assistance, design and finance services, and consultation for eligible nonprofit community or neighborhood-based organizations involved in the creation of affordable housing;
- (4) Matching funds for operating costs for housing assistance groups or organizations when such grant or loan will substantially increase the recipient's ability to produce affordable housing;
- (5) Mortgage insurance guarantees for eligible projects;
- (6) Acquisition of housing units for the purpose of preservation of housing to assist low-income or very low-income families;
- (7) Projects making affordable housing more accessible to families with elderly members or members who have disabilities;
- (8) Projects providing housing in areas determined by the Department of Economic Development to be of critical importance for the continued economic development and economic well-being of the community and where, as determined by the department, a shortage of affordable housing exists;
- (9) Infrastructure projects necessary for the development of affordable housing;
- (10) Downpayment and closing cost assistance; and
- (11) Housing education programs developed in conjunction with affordable housing projects. The education programs must be directed toward:
  - (a) Preparing potential home buyers to purchase affordable housing and postpurchase education;
  - (b) Target audiences eligible to utilize the services of housing assistance groups or organizations; and
  - (c) Developers interested in the rehabilitation, acquisition, or construction of affordable housing; and
- (12) Rental assistance for adults with serious mental illness.

**ATTACHMENT C: Definition Supported Housing**

CENTER FOR MENTAL HEALTH SERVICES  
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION  
US DEPARTMENT OF HEALTH AND HUMAN SERVICES

COMMUNITY MENTAL HEALTH SERVICES BLOCK GRANT  
APPLICATION GUIDANCE AND INSTRUCTIONS  
FY 2005 - 2007

DRAFT (as of June 3, 2004)  
DEFINITIONS: (page 91)

This is part of the instructions for Section V. Uniform Reporting System, regarding consumers receiving evidence-based services.

**Supported Housing:**

Services to assist individuals in finding and maintaining appropriate housing arrangements. This activity is premised upon the idea that certain clients are able to live independently in the community only if they have support staff for monitoring and/or assisting with residential responsibilities. These staff assist clients to select, obtain, and maintain safe, decent, affordable housing and maintain a link to other essential services provided within the community. The objective of supported housing is to help obtain and maintain an independent living situation.

Supported Housing is a specific program model in which a consumer lives in a house, apartment or similar setting, alone or with others, and has considerable responsibility for residential maintenance but receives periodic visits from mental health staff or family for the purpose of monitoring and/or assisting with residential responsibilities, criteria identified for supported housing programs include: housing choice, functional separation of housing from service provision, affordability, integration (with persons who do not have mental illness), right to tenure, service choice, service individualization and service availability.

**ATTACHMENT D: Housing - President's New Freedom Commission on Mental Health**

**President's New Freedom Commission on Mental Health  
Achieving the Promise: Transforming Mental Health Care in America**

<http://www.mentalhealthcommission.gov/reports/FinalReport/toc.html>

July 22, 2003

**Goal 2 - Mental Health Care Is Consumer and Family Driven**

**Recommendations**

- 2.1 Develop an individualized plan of care for every adult with a serious mental illness and child with a serious emotional disturbance.
- 2.2 Involve consumers and families fully in orienting the mental health system toward recovery.
- 2.3 Align relevant Federal programs to improve access and accountability for mental health services.
- 2.4 Create a Comprehensive State Mental Health Plan.
- 2.5 Protect and enhance the rights of people with mental illnesses.

**Understanding the Goal**

**The Complex Mental Health System Overwhelms Many Consumers**

**A Shortage of Affordable Housing Exists**

The lack of decent, safe, affordable, and integrated housing is one of the most significant barriers to full participation in community life for people with serious mental illnesses. Today, millions of people with serious mental illnesses lack housing that meets their needs.

The shortage of affordable housing and accompanying support services causes people with serious mental illnesses to cycle among jails, institutions, shelters, and the streets; to remain unnecessarily in institutions; or to live in seriously substandard housing.<sup>59</sup> People with serious mental illnesses also represent a large percentage of those who are repeatedly homeless or who are homeless for long periods of time.<sup>60</sup>

In fact, people with serious mental illnesses are over-represented among the homeless, especially among the chronically homeless. Of the more than two million adults in the U.S. who have at least one episode of homelessness in a given year, 46% report having had a mental health problem within the previous year, either by itself or in combination with substance abuse.<sup>59</sup> Chronically homeless people with mental illnesses are likely to:

- Have acute and chronic physical health problems;
- Use alcohol and drugs;
- Have escalating, ongoing psychiatric symptoms; and
- Become victimized and incarcerated.<sup>61</sup>

A recent study shows that people who rely solely on SSI benefits - as many people with serious mental illnesses do - have incomes equal to only 18% of the median income and cannot afford decent housing in any of the 2,703 housing market areas defined by the U.S. Department of Housing and Urban Development (HUD).<sup>62</sup> HUD reports to Congress show that as many as 1.4

million adults with disabilities who receive SSI benefits - including many with serious mental illnesses - pay more than 50% of their income for housing.<sup>63</sup>

Affordable housing programs are extremely complex, highly competitive, and difficult to access. Federal public housing policies can make it difficult for people with poor tenant histories, substance use disorder problems, and criminal records - all problems common to many people with serious mental illnesses - to qualify for Section 8 vouchers and public housing units. Those who do receive Section 8 housing vouchers often cannot use them because:

- The cost of available rental units may exceed voucher program guidelines, particularly in tight housing markets;
- Available rental units do not meet Federal Housing Quality Standards for the voucher program;
- Private landlords often refuse to accept vouchers; and
- Housing search assistance is often unavailable to consumers.

***The lack of decent, safe, affordable, and integrated housing is one of the most significant barriers to full participation in community life for people with serious mental illnesses.***

Tragically, many housing providers discriminate against people with mental illnesses. Too many communities are unwilling to have supported housing programs in their neighborhoods. Since the 1980s, the Federal government has had the legal tools to address these problems, yet has failed to use them effectively. Between 1989 and 2000, HUD's fair housing enforcement activities diminished, despite growing demand. The average age of complaints at their closure in FY 2000 was nearly five times the 100-day period that Congress set as a benchmark.<sup>64</sup>

Just as the U.S. Supreme Court's *Olmstead* decision has increased the demand for integrated and affordable housing for people with serious mental illnesses, public housing is less available. Since 1992, approximately 75,000 units of HUD public housing have been converted to "elderly only" housing and more units are being converted every year, leaving fewer units for people with disabilities.<sup>65</sup>

Too few mental health systems dedicate resources to ensuring that people with mental illnesses have adequate housing with supports. These systems often lack staff who are knowledgeable about public housing programs and issues. Partnerships and collaborations between public housing authorities and mental health systems are far too rare. Highly categorical Federal funding streams (*silos*) for mental health, housing, substance abuse, and other health and social welfare programs greatly contribute to the fragmentation and failure to comprehensively address the multiple service needs of many people with serious mental illnesses.

## **ATTACHMENT E: Sources of Rental Assistance**

### **Funded Through HUD:**

1. Section 8 available through Public Housing Authorities (28 of the 107 PHA's in NE have these)
  - Project Based—voucher is tied to the property
  - Tenant Based—voucher goes with the tenant so long as property they select meets standards and landlord is willing to work with it.
2. Supported Housing Program (SHP)
  - a) Transitional Housing with supportive services has **leasing assistance** maximum of 24 months. Can be one structure or several at one site or multiple structures at scattered sites.
  - b) Permanent Housing for Persons with Disabilities for long-term housing. It is community-based housing with supportive services.
  - c) Supportive Services Only.
  - d) Safe Haven: Can have leasing assistance within their project budget. Must have no limit on length of stay; must serve hard-to-reach homeless persons who have severe mental illness on the streets who have been unable or unwilling to participate in supportive services; must provide 24-hour residence for an unspecified duration; must provide private or semiprivate accommodations; must have a limited occupancy of 25 persons. (A Safe Haven project with a SHP/Permanent Housing component that requires participants to execute a lease agreement may be classified as Permanent Housing.)
3. Shelter Plus Care Program (S+ C)

Rental Assistance for homeless persons with disabilities in connection with supportive services funded from sources outside the program. Supportive services can be provided by the applicant or by another agency. Rental assistance must be matched dollar for dollar with supportive services.

- Tenant-based Rental Assistance (TRA)—tenant's choice (see above)
- Sponsor-based Rental Assistance (SRA)—tied to the structure owned or leased by the sponsor (agency)
- Project-based Rental Assistance (PRA)—tied to property that is assisted (see above)
- SRO-based Rental Assistance (Single Room Occupancy)—tied to the SRO structure/building

Disabilities may be developmental, physical, mental, or emotional including an impairment due solely to alcohol and drug abuse. S + C Program **specifically targets** the following disabilities:

- Seriously mentally ill
- Chronic Alcohol and/or other drug abuse
- AIDS or related disease

4. HOME Program

Works on same concept as Section 8 vouchers. Can only be administered by Dept. of Economic Development, Omaha, and Lincoln.

- Tenant Based only for 24 months. Must be in the 5 year consolidated plan as a planned activity of HOME funds.

**Funded Through Other Sources**

5. United States Department of Agriculture-Rural Development 515 Projects

The majority of the tenants in the RRH 515 complexes do pay rent, including utilities based upon 30% of their income. It is estimated that 70% of the apartment units financed provide rent subsidy either through a USDA rental assistance program or through HUD's project based Section 8 program. In addition some of the tenants living in those complexes utilize HUD vouchers. In all those cases the tenants pay 30% of their adjusted income for rent plus utilities.

6. Nebraska Homeless Assistance Program

Includes a combination of federal ESG funds from HUD and state Homeless Assistance Trust Funds. Allows for **limited** deposits, and rental assistance to prevent homelessness in a crisis meeting strict criteria. Administered through some of the NHAP grantees across the state, i.e. Community Action Agencies, some domestic violence programs, etc.

- **ATTACHMENT F: HUD Definitions for Rental Assistance**

This is the definition of HUD rental assistance from the website:

<http://www.hud.gov/offices/cpd/homeless/rulesandregs/regulations/582spluscare/582100.cfm>

Subpart B, Sec. 582.100 Program Components Description

Information by State

Print version

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[Code of Federal Regulations]

[Title 24, Volume 3, Parts 500 to 699]

[Revised as of April 1, 2000]

From the U.S. Government Printing Office via GPO Access

[CITE: 24CFR582.100]

TITLE 24--HOUSING AND URBAN DEVELOPMENT

SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF  
HOUSING AND URBAN DEVELOPMENT

PART 582--SHELTER PLUS CARE--Table of Contents

Subpart B--Assistance Provided

Sec. 582.100 Program component descriptions.

**(a) Tenant-based rental assistance (TRA).** Tenant-based rental assistance provides grants for rental assistance which permit participants to choose housing of an appropriate size in which to reside. Participants retain the rental assistance if they move. Where necessary to facilitate the coordination of supportive services, grant recipients may require participants to live in a specific area for their entire period of participation or in a specific structure for the first year and in a specific area for the remainder of their period of participation. Recipients may not define the area in a way that violates the Fair Housing Act or the Rehabilitation Act of 1973. The term of the grant between HUD and the grant recipient for TRA is five years.

**(b) Project-based rental assistance (PRA).** Project-based rental assistance provides grants for rental assistance to the owner of an existing structure, where the owner agrees to lease the subsidized units to participants. Participants do not retain rental assistance if they move. Rental subsidies are provided to the owner for a period of either five or ten years. To qualify for ten years of rental subsidies, the owner must complete at least \$3,000 of eligible rehabilitation for each unit (including the unit's prorated share of work to be accomplished on common areas or systems), to make the structure decent, safe and sanitary. This rehabilitation must be completed within 12 months of the grant award.

**(c) Sponsor-based rental assistance (SRA).** Sponsor-based rental assistance provides grants for rental assistance through contracts between the grant recipient and sponsor organizations. A sponsor may be a private, nonprofit organization or a community mental health agency established as a public nonprofit organization. Participants reside in housing owned or leased by the sponsor. The term of the grant between HUD and the grant recipient for SRA is five years.

**ATTACHMENT G: Action Steps to Develop Rental Assistance For Adults with SMI**

Nebraska Affordable Housing Trust Fund (NAHTF) use for rental assistance for adults with serious mental illness  
 Report prepared for the HHSS Behavioral Health Housing Team  
 From: Lara Huskey, Housing Manager, Nebraska Department of Economic Development

This report is prepared from the perspective of NDED housing staff only. At this time formal comment has not been received from HHSS, NAHRO, NCHH, the Nebraska Housing Developers Association, NIFA, etc. There have been however, numerous discussions throughout the last year about the use of NAHTF for rental assistance and the many concerns that must be addressed in implementation. Any and all of the following items are subject to change by NDED based on further information and recommendations.

## Timeline of implementation (DRAFT)

| Action  | Date       | Who   |
|---|------------|---|
| Recommendation received by NDED from the HHSS Behavioral Health Housing team on the use of \$2 million NAHTF  | 07/01/2004 | HHSS Behavioral Health staff                                  |
| HHSS recommendation forwarded to NIFA for comment   | 07/06/2004 | NDED - Lara Huskey  |
| HHSS recommendation forwarded to the Nebraska Commission on Housing and Homelessness for Comment  | 07/06/2004 | NDED- Lara Huskey   |
| Recommendation / Comments received from NIFA and NCHH members   | 08/01/2004 | NIFA and NCHH members   |
| NAHTF rules and regulations available for comment   | 08/15/2004 | NDED - Greg Cecil   |
| NDED releases a Request for Proposals for an organization to implement a statewide rental assistance program for adults with serious mental illness | 09/30/2004 | NDED - Lara Huskey  |
| RFP for rental assistance program due from bidders  | 11/15/2004 | NDED - Lara Huskey  |
| Contractor selected to implement rental assistance program  | 12/15/2004 | NDED - Lara Huskey  |
| Executed contract for NAHTF rental assistance   | 01/15/2004 | NDED - Lara Huskey and representative from contracting agency |

This timeline is based on the following assumptions:

1. The HHSS Behavioral Health Housing Team will recommend that all or a portion of the \$2,000,000 of NAHTF be used for rental assistance.
2. There will be no significant objections to this recommendation from NIFA or NCHH.
3. The NAHTF rules and regulations will require only minor adjustments based on public comment from the draft to the final.
4. There will be a qualified, eligible organization that bids for the administration of a rental assistance



**ATTACHMENT H: Priorities For Nebraska Affordable Housing Trust Fund**

Under LB1083, up to \$2.0 million was allocated from the documentary stamp tax revenues currently designated under the Nebraska Affordable Housing Trust Fund (NAHTF) to develop or provide housing specifically for Adults with Serious Mental Illness beginning in FY 05. Below represents priorities from the BH Reform Housing Team at the May 12, 2004 meeting.

| Score | Rank | Behavioral Health Housing Program Priorities / It is my Priority that the program (Yellow Sheet) |
|-------|------|--|
| 125   | 1    | H. Focuses on Solutions for people who are discharging from Norfolk and Hastings                 |
| 120   | 2    | C. Is different in geographic regions based on local housing needs                               |
| 115   | 3    | G. Provides rental assistance to adults with SMI   |
| 100   | 4    | F. Replicates existing Nebraska Affordable Housing Program                                       |
| 91    | 5    | D. Shows beneficiaries across the state  |
| 82    | 6    | J. Has many eligible activities but funds distributed based on what/who is ready first           |
| 75    | 7    | I. Provides funds for local planning and capacity building                                       |
| 64    | 8    | E. Favors projects with less administrative costs  |
| 63    | 9    | A. Show results by December 31, 2004   |
| 61    | 10   | B. Serves many people with less subsidy per person   |

| Score | Rank | NAHTF RENTAL ASSISTANCE FOR ADULTS WITH SMI PRIORITY (Green Sheet)   |
|-------|------|--|
| 129   | 1    | H. Is flexible to allow for local innovation of service provider, housing provider, housing authority, developer, etc. |
| 125   | 2    | F. Includes tenant-based rental assistance (including Sponsor-based) and Project-based rental assistance               |
| 116   | 3    | D. Be able to be easily replicated and sustainable if more money were available  |
| 106   | 4    | J. Is a sustainable solution (possibly long-term) for individuals  |
| 96    | 5    | G. Provide incentive to use local section 8 programs to serve more SMI   |
| 94    | 6    | C. Be customized to individual needs   |
| 80    | 7    | E. Uses expertise of Section 8 administrators for implementation   |
| 61    | 8    | I. NAHTF rental assistance to any one individual is temporary (2 years or less)  |
| 56    | 9    | B. Serves many people with less money  |
| 53    | 10   | A. Show results by December 31, 2004   |

### **ATTACHMENT I: NE Statewide Consumer Housing Need Study**

Summary of Project #1 – Nebraska, Statewide Consumer Housing Need Study / Mental Health Housing Planner Contract with HANNA:KEELAN ASSOCIATES, P.C. (September 2003)

- **Housing Cost Burden** - tenants paying over 30 percent of their gross income for housing. An annual income of 0 to 30 percent AMI will experience a housing cost burden (pay 30% or more of their income for rent or a home payment, and utilities). **A common remedy for Cost Burden is to provide persons/families with Rental Assistance, whereas the tenant only pays 30% of their income for rent and utilities.**
- **Housing Problems** - as per the definition of the U.S. Department of Housing and Urban Development:
  - (1) lacking complete plumbing (inadequate plumbing, kitchen or bathroom fixtures/appliances) and/or
  - (2) 1.01+ persons per room (overcrowded conditions). ***Housing Problems often result in substandard housing conditions. Various Federal and State programs provide funding for housing rehabilitation to improve the condition of substandard housing.***

#### **Target Housing Types**

- **Crisis/Respite Care-Emergency Shelter** is a broad category which includes housing designed to provide temporary shelter and services to individuals with a serious mental illness, including homeless individuals. This includes respite care beds, meant to provide temporary, specialized care in an crisis situation or in the absence of a primary care giver, with services provided on a planned or unscheduled basis due to crisis or other events which arise. This category also includes emergency shelter beds for homeless individuals with a serious mental illness.
- **Group Residential** programs are facility-based, non-hospital or nursing facility programs for persons disabled by severe and persistent mental illness, who are unable to reside in a less restrictive residential setting. These facilities are integrated into the community and provide skill building in community living skills, daily living skills, self-medication management and other related psychiatric rehabilitation services as needed to meet individual consumer needs. A group residential facility involves living with a group of people with 24 hour, on site staff.
- **Residential Units** include independent living units, such as apartments or single room occupancy housing. Staff is not located on site, however community support provides consumer advocacy, ensures continuity of care, supports consumers in time of crisis, provides skill training, ensures the acquisition of necessary resources and assists the consumer in achieving community and social integration.

#### **Estimated Target Household Need, By Housing Type, State Of Nebraska, 2008**

- Crisis Respite Care/Emergency Shelter Beds = 334 Beds (8.5%)  
Of these 334 beds, shelter beds = 267 beds (80%) / crisis respite care beds 67 beds (20%)
  - Group Residential Units = 863 Beds (22%)
  - Residential Units = 2,729 Units (69.5%)
- Totals = 3,926 BEDS/UNITS (100%)

## **ATTACHMENT J: Keys to Supported Housing Success**

There are three keys to Supported Housing Success:

1. Proper Supports
2. Affordable Housing
3. Capacity Building

### **1. Proper Supports**

"Proper Supports" are needed for the eligible individual to promote independent living. "Supported Housing" model is designed to help the eligible individual obtain and maintain an independent living situation. The minimum mental health and/or substance abuse supports to help provide "Supported Housing" are "Rehabilitation/Support/Recovery Services" and "Medical Treatment":

- "Rehabilitation/Support/Recovery" – Designed to promote recovery, such as day rehabilitation, community support (mental health and substance abuse), Assertive Community Treatment (ACT), vocational support and related services.
- Medical Treatment – Includes costs associated with medication expenses including doctor visits, lab work, medication administration, and the cost of all prescription drugs (not only psychiatric medications)

### **2. Affordable Housing**

- In order to develop an adequate supply of affordable housing for eligible individuals, there needs to be short term strategies using existing housing supply as well as long term strategy for increasing the supply.
- The \$2,000,000 from the Nebraska Affordable Housing Trust Fund will serve about 400 people in rental assistance. Accordingly, this strategy will effectively re-housed a portion of the population for a short period of time. If the task is to make sure there are affordable housing resources, there needs to be a combination of a short term and long term strategy.
  - > Short term, there needs to be a focus on existing housing that is affordable to eligible individuals. Rental assistance is needed to access this housing. One can not build out of this situation as a short term strategy.
  - > Long term strategy includes building affordable housing. A general rule of thumb is it takes at least two years from start of project to consumers moving in. Building housing is a long term strategy. This needs to be fully developed option. The housing industry needs to make a commitment to building affordable and available housing for adults with serious mental illness.
- PURCHASE/LEASE OR REHABILITATION - An alternative to the construction of new housing units is the purchase or lease and either the moderate or substantial rehabilitation of existing housing units. The 2000 Census recorded over 56,000 vacant housing units, Statewide.

LB1083 sections 100-101 expanded the use of the Affordable Housing Trust Fund in the Department of Economic Development by allowing the use the fund for housing for adults with serious mental illness. (see ATTACHMENT K: Analysis Of Consumer Income And Affordable Rents in Nebraska).

- > LB1083 section 101 amended the Affordable Housing Trust Fund (Neb. Rev. Stat. §58-706) to include "(12) Rental assistance for adults with serious mental illness."
- > According to the Fiscal Note for LB1083 (03/31/04)
  - In 2004-05, the existing cash fund appropriation of the program will be increased from \$5 to \$6 million and up to \$2 million will be earmarked for housing assistance for adults with serious mental illness.
  - It is assumed that the additional funding level and fund earmarking will continue in 05-06.

There is need for "**Rental Assistance**" for the eligible individual. At this time, it can be estimated that the gap between consumer income and rent plus tenant-paid utilities may be ranging from **\$372** to **\$527** (see ATTACHMENT K: Analysis Of Consumer Income And Affordable Rents in Nebraska). Please note:

- > In Omaha, Lincoln and other areas, HUD's Section 8 Rental Assistance program has a waiting list.
- > President Bush's budget for 2005 proposes to cut Section 8 Rental Assistance.
  - For FY2004, the local housing authorities have their full allocation for rental assistance.
  - For FY2005, if implemented as proposed, Nebraska will be cut 1,000 vouchers.
- Target Housing Types
  - > Crisis/Respite Care-Emergency Shelter (8.5%)
  - > Group Residential programs (22%)
  - > Residential Units (69.5%)
- Recovery Homes - with a level of recovery, groups of individuals can obtain relatively inexpensive housing through the "Recovery Home Model".
  - > Group environment that Supports recovery
  - > Uses existing housing stock
  - > Self Support / Self Run Recovery Homes

### **The Affordable Housing Rental Database**

The Nebraska Investment Finance Authority (NIFA) "Affordable Housing Rental Database" is now available for use at

**[http://www.nifa.org/customers/project\\_listings.html](http://www.nifa.org/customers/project_listings.html)**

or, go to <www.nifa.org>. Click on 'renter' under 'customers and partners'

This search tool helps renters find affordable housing projects and/or local housing authorities which have been financed by NIFA, USDA-RD, HUD and NEDED. While every effort is made to keep this information up-to-date, NIFA does not guarantee the accuracy of the data. Please contact the management agency or the local housing authority for more information on the developments.

If you have any questions, please contact

Susan Stibal

Nebraska Investment Finance Authority

<susan.stibal@nifa.org>

402-434-3920

### **3. Capacity Building**

This housing capacity building is needed in order to develop permanent housing options for the eligible individuals on a short term and long term basis.

**A. Community Education regarding the housing needs of the consumers impacted by the Behavioral Health Reform (LB1083).**

- Conducting outreach, educational and technical assistance meetings with:
  - > public housing directors, licensed facility operators, landlords, apartment complex owners, housing developers and other appropriate individuals.
  - > behavioral health service providers – non-profit organizations that are providing the support services to the eligible individuals.
  - > local elected officials on land use planning, with a specific focus on the needs of special populations including those eligible individuals under the Behavioral Health Reform.
- Register qualified landlords, apartment complex owners, and others interested in providing housing to the eligible individuals.

**B. Specialized Service Provider Training:**

- Community Support Workers are paid to provide the mental health and/or substance abuse supports. These responsibilities include receiving referrals of eligible individuals in need of housing, with a priority on those who are in homeless shelters, regional centers, local hospitals, jails, or other settings.
- This specialized training is designed to enhance and build upon the existing skills the Community Support Workers already have to arrange for housing for eligible individuals.
- Definition of "Community Support" as a service purchased to serve eligible individuals – With 24 hour, 7-day/week availability, provides consumer advocacy, ensures continuity of care, active support in time of crisis, provides direct skill training in the residence and community, provide or arrange for transportation, arrange for housing, acquisition of resources and assistance in community integration for eligible individuals.

Source: Office of Mental Health, Substance Abuse and Addiction Services, NE Dept of Health & Human Services

**C. Organizational And Housing Training to establish partnerships between the affordable housing industry and the service providers:**

- Potential developers (both profit and non-profit) of housing for persons with a serious mental illness and/or substance abuse problems.
- Behavioral health service providers serving eligible individuals.
- Governmental Entities – Example: Regional Behavioral Health Authorities as stated in LB1083 (Slip Law, section 8)

**D. To prepare pre-development plans for each primary community.**

- Gather information about local/regional housing needs.
- Monitor local housing development plans.
- Based on the work under #C, partnerships are formed between potential developers and behavioral health service providers.
- Use the planning results from the Hanna:Keelan projects, prepare real Behavioral Health Reform Housing development proposals for possible funding by HUD, NIFA, DED, and other interested parties.

## **ATTACHMENT K: Analysis Of Consumer Income And Affordable Rents in Nebraska**

### **Rental Assistance Discussion: How do adults with serious mental illness who are extremely low income pay rent? In summary, one can assume:**

- (1) HUD's "cost burden" means a consumer pays no more than 30% of income for rent and utilities.
- (2) The consumer who has SSI income of \$564 per month, should pay **\$169.20** (30%).
- (3) The rent plus any tenant-paid utilities may cost from \$500 to \$655 per month.
- (4) Administration for Rental Assistance is estimated at \$42 per unit per month.
- (5) Based on this analysis, the estimated gap between consumer income and rent plus tenant-paid utilities may be ranging from **\$372** to **\$527**.

(1) HUD Section 8 Rental Assistance - households should contribute 30 percent of monthly adjusted household income toward housing costs, including any tenant-paid utilities.

(2) What is the consumer income on SSI due to serious mental illness?

- Effective January 2004 the Federal Supplemental Security Income (SSI) payment for an eligible individual is **\$564** per month.
  - 30% of monthly SSI payment is **\$169.20**
  - Assume consumer pays **\$170 per month**
  - The balance (\$394.80) is used for food, clothing, transportation, & other related expenses.
  - 100% US HHS 2004 Poverty Guidelines / 1 person = \$9,310 annual / \$775.83 per month.
  - Minimum Wage pays \$5.15 per hour or \$893 monthly / \$10,712 annual
  - Substantial Gainful Employment (SGA) -- achieved earning capacity of \$ 810 per month / \$9,720 annual.

(3) The rent plus any tenant-paid utilities (Minimum Rent / Fair Market Rent)

- Minimum Rent: according to the Nebraska Investment Finance Authority, \$4200 annual / \$350 month rent per unit\* is needed for reasonable cash flow in a typical affordable rental housing project in the state of Nebraska. This is based on the following assumptions:
  - There is no debt on the housing project
  - Operating costs include onsite management, accounting, water/sewer, maintenance, property insurance, taxes, replacement reserves, common area utilities & common area maintenance.
  - A 10% vacancy rate
  - Net operating income that represents 10% of rental income
  - Based on a "Utilities Survey" for a 1 Bedroom Apartment, with data from 4 of the 9 Nebraska based "Community Action Agencies" (CAA), the average cost for Gas, Electric, Garbage collection, and Water/Sewer is \$155.31 per month.
  - Assume tenant-paid utilities such as gas, electricity, garbage (estimated \$155 per month)
  - Minimum Rent + utilities ... \$345 + \$155 = \$500 ... minus \$170 = **\$330 monthly rent balance**

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\* \$4200 annual / \$350 month rent per unit – this is representative of the median monthly rents for rural areas (outside of the Lincoln and Omaha Metro areas).

Source: Tim Kenny NIFA 2002 LIHTC Projects: "Median Per Unit" Expenses from Tax Returns

- Rent Needed Average Urban with Debt \$7,003 (annual) / \$584 (month)
- Rent Needed Average Urban with out Debt 5,737 (annual) / \$478 (month)
- Rent Needed Average Rural with Debt 5,419 (annual) / \$452 (month)
- Rent Needed Average Rural without Debt 4,153 (annual) / \$346 (month)

- Fair Market Rents (FMR) - HUD 2004 one bedroom in Douglas County (Omaha) is = \$496.
    - Assume an apartment cost \$500 per month
    - Based on a "Utilities Survey" for a 1 Bedroom Apartment, with data from 4 of the 9 Nebraska based "Community Action Agencies" (CAA), the average cost for Gas, Electric, Garbage collection, and Water/Sewer is \$155.31 per month.
    - Assume tenant-paid utilities such as gas, electricity, garbage (estimated \$155 per month)
    - FMR Rent + utilities ...  $\$500 + \$155 = \$655$  ... minus \$170 = **\$485 monthly rent balance**
  
  - To administer Section 8 rental assistance vouchers cost \$42 per month per unit, added onto the totals needed.
    - Minimum Rent **\$330 monthly rent balance** + \$42 = **\$372**
    - FMR Rent **\$485 monthly rent balance** + \$42 = **\$527**
  
  - The estimated gap between consumer income and rent plus tenant-paid utilities may be ranging from **\$372** to **\$527**.
-